



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/643,274	08/22/2000	Adam Hall	ICLS 1001-2	8657

22470 7590 05/19/2005

HAYNES BEFFEL & WOLFELD LLP
P O BOX 366
HALF MOON BAY, CA 94019

EXAMINER

SMITH, JEFFREY A

ART UNIT	PAPER NUMBER
----------	--------------

3625

DATE MAILED: 05/19/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/643,274

Applicant(s)

HALL ET AL.

Examiner

Jeffrey A. Smith

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 13 January 2005 and 16 March 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3,6,8-25,27-33 and 50-61 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3,6,8-25,27-33,50-53,55 and 57-61 is/are rejected.
- 7) ☒ Claim(s) 54 and 56 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12 April 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachments

- 1) ☒ Notice of Rejection
- 2) ☐ Notice of Draftsperson's Office Action
- 3) ☐ Information Disclosure Statement Paper No(s)/Mail Date _____

U.S. Patent and Trademark Office
PTOL-326 (Rev. 1-04)

- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

Art Unit: 3625

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submissions filed on January 13, 2005 and March 16, 2005 have been entered.

Response to Amendment

The response filed January 13, 2005 has been considered and entered.

The response filed March 16, 2005 has been considered and entered. The listing of claims filed herewith supersedes all previous versions. By entry of such amendment to the claims:

claims 1, 3, 6, 8-25, 27-33, and 50-61 are pending; and

claims 2, 4, 5, 7, 26 and 34-49 have been cancelled.

An action on the merits follows.

Art Unit: 3625

Drawings

The drawings were received on April 12, 2004. These drawings are approved.

Specification

The disclosure is objected to because of the following informalities: Brief Descriptions of both Figs. 16A and 16B are required (see drawings filed April 12, 2004).

Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 3, 6, 8, 50, and 55 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

These claims are incomplete because they are written to depend from cancelled claims. For examination purposes claims 3, 6, and 8 have been interpreted as having depended from claim

Art Unit: 3625

1; while claim 55 has been interpreted as having depended from claim 54. Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1, 3, 6, 8-10, 24, 25, 27-33, 50, 52, 53, and 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al. (U.S. Patent No. 6,185,683 B1) in view of Broerman (U.S. Patent No. 6,594,633 B1).

Preliminary note: The Examiner acknowledges that the Ginter references is quite voluminous, however, its entire disclosure is relied upon. Nonetheless, the most remarkable portions are as follows: cols. 22-55, and in particular, cols. 54-55; and Figures 99-130A, and in particular, Figures 130 and 130A. Applicant's attention is directed primarily to what Ginter et al. refers to as a "trusted electronic 'go-between' or intermediary" (4700: introduced at col. 22, lines 49-54).

Art Unit: 3625

Ginter et al. discloses a method of clearing (approving or disapproving) conditions for closing a real estate transaction (col. 54, lines 16-17). The method comprises registering with a closing server (4700: see col. 23, lines 1-5; and col. 44, lines 14-20) digital identifications of parties to a real estate transaction (col. 55, lines 3-8); building a transaction database including a plurality of agreed closing conditions for the real estate transaction (col. 54, lines 29-37); under control of the closing server, repeatedly interacting with one or more of the parties identified by one or more of the registered digital identifications and receiving an instruction to clear one or more conditions (col. 54, line 65-col. 55, line 3); and closing the real estate transaction after all of the conditions have been cleared (col. 55, lines 23-31). Ginter et al. further discloses establishing an electronically accessible trust account and receiving and disbursing funds from the electronically accessible trust account to settle accounts at closing (col. 54, lines 40-45; and col. 55, lines 33-41).

The closing step includes causing a deed to be digitally signed and electronically recorded (col. 55, lines 46-49).

Ginter et al. does not disclose that the closing conditions set deadlines for clearing the conditions. The Ginter method,

Art Unit: 3625

however, is disclosed in order to accomplish a real estate transaction according to conditions defined by contract parties (col. 54, lines 16-37).

Broerman discloses a method of clearing conditions for closing a real estate transaction (see Abstract). Steps include registering digital identifications of parties (col. col. 6, lines 34-36); entering a plurality of agreed closing instructions including a plurality of conditions (col. 8, lines 20-34); repeatedly receiving the digital identification from one of the parties and an instruction to mark one or more conditions as cleared (col. 15, lines 60-61); and closing the real estate transaction when all of the conditions have been marked as cleared (col. 8, lines 56-65).

The Broerman method further includes entering passive conditions and corresponding passive conditions deadlines (such as failing to set a closing date: col. 16, lines 22-35). Deadlines for contingencies and extensions for deadlines are discussed at col. 15, line 60-col. 16, line 42.

It would have been obvious to one of ordinary skill in the art to have established deadline conditions (of the type taught by Broerman) in order to have defined a transaction which

Art Unit: 3625

considers the myriad of scheduling details that occur in negotiating and closing a purchase contract for real estate property (col. 1, 50-59).

In consideration of such combination of Ginter et al. and Broerman, the combined method would have resulted in the closing server of Ginter et al. (as modified by the teachings of Broerman) automatically determining that the designated active conditions that have not been approved by the deadline are breached and automatically determining that the designated passive conditions that have not been disapproved by the deadline are cleared. Note especially Broerman's discussion of deadlines for contingencies at col. 15, line 60-col. 16, line 42.

Regarding claim 50: The combination of Ginter et al. and Broerman does not teach interacting with another of the parties, identified by another of the registered digital identifications, and receiving a concurrence in the instruction to extend the deadline. However, it is viewed that such interaction and concurrence amounts to the renegotiation of the terms of an original contract and, accordingly, the rules used by the "trusted go-between" of Ginter et al.--the original rules having already been agreed-upon by the original contract parties. To

Art Unit: 3625

this end, Broerman teaches that the passing of deadlines can result in a determination being made as to whether the missed deadline will be waived or otherwise rescheduled by a non-breaching party (col. 16, lines 22-35).

It would have been obvious to one of ordinary skill in the art to have provided the combined method of Ginter et al. and Broerman to have included the interaction of the breaching party (for instance) for concurrence in the extension or rescheduling of a missed deadline in order to have agreed-upon the conditions of the contract as newly renegotiated.

Claims 11-23, 51, 57, 59, and 60 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al. (U.S. Patent No. 6,185,683 B1) in view of Broerman (U.S. Patent No. 6,594,633 B1) and Klein, Jeffrey S.: "Ending Confusion on Real Estate Terms", The Los Angeles Times [Home Edition], Feb. 25, 1988, page 7 (hereafter referred to as "Klein").

The discussion of Ginter et al. and Broerman above is incorporated herein.

Further, the Ginter et al./Broerman method does not disclose that a title insurance condition is entered. The

Art Unit: 3625

Ginter et al./Broerman method, however, is disclosed in Ginter et al. in order to accomplish a real estate transaction according to conditions defined by contract parties (col. 54, lines 16-37). It is noted that Ginter et al. teaches that the "trusted go-between 4700 may need to coordinate with a lawyer 5046 to ensure that the title to the property for sale is clear and unencumbered" (col. 54, lines 59-61).

Art Unit: 3625

Now comes Klein. Klein reports that customary advice from real estate experts includes terminology that is commonly referred to as "title insurance" (which is an insurance policy on the title search). Such title insurance is a mutable contingency.

It would have been obvious to one of ordinary skill in the art to have provided the method of Ginter et al./Broerman to have included a step of including a title insurance condition in order to have defined a transaction which included insurance covering losses from encumbrances that were not found, but should have been found, during the title search (see Klein: "Title insurance").

Regarding claims 12-19, 22, and 23: These claims recite specifics regarding the form and requirements of agreeing to and executing a particular title insurance policy order. As the nature of real estate transactions vary widely, so does the nature of the form and requirements of any given title insurance agreement. Although the specifics recited in these claims are not provided by the Ginter et al./Klein combination, it would have been obvious to one of ordinary skill in the art to have

Art Unit: 3625

provided the specific title insurance condition recited and to have negotiated such in a manner already disclosed by Ginter et al. with regard to other conditions in order to have facilitated a complete transaction as arrived at by the negotiating parties. The particular form and requirements of the agreement would have represented one possible combination of the numerous combinations that the skilled artisan would have found obvious for the purposes already taught by Ginter.

Claim 58 is rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al. (U.S. Patent No. 6,185,683 B1) in view of Klein, Jeffrey S.: "Ending Confusion on Real Estate Terms", The Los Angeles Times [Home Edition], Feb. 25, 1988, page 7 (hereafter referred to as "Klein").

The discussion of Ginter et al. above is incorporated herein.

Further, Ginter et al. teaches that "[trusted] go-between 4700 may need to communicate with each of a number of parties in order to determine whether the conditions have been satisfied" (col. 54, lines 38-40). For example, "trusted go-between may assist buyer 5034 in creating a[nd] filing loan applications with one or more banks 5042, along with supporting

Art Unit: 3625

documentation, and may require confirmation from the lending bank 5042 that the buyer's financing has been approved so the transaction can go forward" (col. 54, lines 46-52). Ginter et al. discloses that the real estate transaction encompasses the loan process (which is subject to its own closing conditions). Note that the trusted go-between 4700 may receive electronic notifications in secure containers 302 as each step in the overall process is completed (col. 54, lines 65-67). It is viewed that the trusted go-between 4700 manages a loan process in a manner like it manages the overall process--by interacting with at least one of the parties to the transaction to build a transaction database including a plurality of conditions for the purposes of the transaction. Each transaction would at least include the digital identifications of parties to the transaction and the closing conditions subject to satisfaction for the closing of the transaction. Ginter et al. teaches that "all of [the variously disclosed] coordination steps can be performed nearly simultaneously, efficiently, rapidly and with an extremely high degree of trustedness based on the user of electronic containers 302 and the secure communications, authentication, notarization and archiving techniques provided in accordance with the present inventions" (col. 55, lines 54-59).

Art Unit: 3625

It is noted that the Ginter et al. method does not disclose that a title insurance condition is entered. The Ginter et al. method, however, is disclosed in order to accomplish a real estate transaction according to conditions defined by contract parties (col. 54, lines 16-37). It is noted that Ginter et al. teaches that the "trusted go-between 4700 may need to coordinate with a lawyer 5046 to ensure that the title to the property for sale is clear and unencumbered" (col. 54, lines 59-61).

Now comes Klein. Klein reports that customary advice from real estate experts includes terminology that is commonly referred to as "title insurance" (which is an insurance policy on the title search). Such title insurance is a mutable contingency.

It would have been obvious to one of ordinary skill in the art to have provided the method of Ginter et al. to have included a step of including a title insurance condition in order to have defined a transaction which included insurance covering losses from encumbrances that were not found, but should have been found, during the title search (see Klein: "Title insurance").

Allowable Subject Matter

Claims 54 and 56 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Claim 55 would be allowable if rewritten to overcome the rejection(s) under 35 U.S.C. 112, 2nd paragraph, set forth in this Office action and to include all of the limitations of the base claim and any intervening claims.

Response to Arguments

Applicant's arguments filed February 13, 2005 and March 16, 2005 have been fully considered but they are not persuasive.

Applicant remarks that Ginter et al. does not disclose "a legally binding statement of the closing condition recorded in a transaction database".

The Examiner notes that Ginter et al. teaches that "[t]he seller 5030 and buyer 5034 and their respective real estate agents 5036, 5038 write a legal contract which the seller and buyer then sign" (emphasis added). Ginter et al. continues that the "[t]rusted go-between 4700 registers the contract 4068 and

Art Unit: 3625

then creates an electronic list of rules based on contract 4068" (emphasis added). Further, Ginter et al. teaches that "the 'clipboard' is electronically implemented by a computer and comprises one or more electronic control sets 4078 that specify the conditions that must be satisfied in order for the overall real estate transaction to settle" (emphasis added). See col. 54, lines 16-37). Finally, as noted by Applicant, [t]rusted go-between 4700 maintains this electronic list 4704". In this manner Ginter et al. does disclose "a legally binding statement of the closing conditions recorded in a transaction database.

Applicant remarks that "there is no teaching [in Ginter et al.] to distinguish between active conditions that require a party's active approval to proceed and passive conditions that are satisfied by the passage of time".

The Examiner has not alleged that Ginter et al. teaches such distinction between active and passive conditions. However, the Examiner has looked to Broerman in order to address this issue. The Examiner has noted that Broerman includes entering passive conditions and corresponding passive conditions deadlines (such as discussed at col. 15, line 60-col. 16, line 42). The Examiner then has offered that the skilled artisan would have been motivated to have incorporated deadline

Art Unit: 3625

conditions (of the type taught by Broerman) in the method of Ginter et al. in order to have defined (and thereby accommodated) a transaction which considers the myriad of scheduling details that occur in negotiating and closing a purchase contract for real estate property (Broerman: col. 1, lines 50-59).

Applicant remarks that "Ginter et al. does not teach identification of the parties authorized to clear a closing condition".

The Examiner notes that the "[t]rusted go between 4700 maintains this electronic list 4704 in a secure, validated and authenticated manner using system 4050--requiring, for example, receipt of electronic containers having event notifications that are signed cryptographically with one or more digital signatures from the appropriate parties" (emphasis added). Ginter et al. continues that [i]n this way, trusted go-between 4700 can maintain a highly reliable and validated, authenticated audit of the transaction steps as the overall transaction proceeds" (emphasis added). See col. 55, lines 3-11. In this manner Ginter et al. does teach identification of the parties authorized to clear a closing condition.

Art Unit: 3625

Applicant remarks that "the trusted go-between activities listed in column 54 evoke the image of a person sitting at a terminal, not artificial intelligence".

The Examiner notes that Ginter et al. teaches that "[t]he drawings [of Fig. 99, for instance] show the trusted go-between 4700 as a person for the purposes of illustration only. In the preferred example, trusted go-between 4700 may be a computer that performs its functions electronically in a highly automatic and efficient way" (emphasis added). See col. 23, lines 1-5.

Given this teaching, the trusted go-between is clearly artificial intelligence--rather than a person. Moreover, the Examiner notes that the entire Ginter et al. disclosure is robust with disclosure which enables a computer to carry out the activities attributed to the trusted go-between.

Applicant remarks that "Broerman operates as a word processor and does not include anything akin to a database of closing conditions".

The Examiner has indicated in the Office action mailed September 13, 2004 that Applicant's arguments to this effect were persuasive to the extent that conditions are not cleared under the control of a closing server. It was noted, however, that Broerman was still otherwise relied upon for its teachings

Art Unit: 3625

regarding the establishment of, and subsequent clearing of, conditions established as a result of a real estate transaction and the conditions which govern its closing.

Applicant remarks that "it is not enough to say that the Klein glossary can be combined with a reference that says nothing about title insurance and still meet the detailed limitations of these claims".

Art Unit: 3625

The Examiner has established the role of the Ginter et al. server in establishing workflow and in clearing conditions in a real estate transaction. The Examiner has acknowledged that the Ginter method does not disclose that a title insurance condition is entered. The Ginter method, however, is disclosed in order to accomplish a real estate transaction according to conditions defined by contract parties (col. 54, lines 16-37). Although Ginter et al. does not mention title insurance, per se, it has been noted that Ginter et al. teaches that the "trusted go-between 4700 may need to coordinate with a lawyer 5046 to ensure that the title to the property for sale is clear and unencumbered" (col. 54, lines 59-61). Thus, Ginter et al. expresses concern that it is important that the title be clear and devoid of encumbrances.

Klein teaches that title insurance covers losses from encumbrances that were not found, but should have been found, during a title search. Accordingly, although Ginter et al. relies upon a lawyer to be responsible for ensuring that the title to the property for sale is clear and unencumbered, Klein acknowledges that, at times, encumbrances that should have been found during a title search may not be found. Title insurance serves to cover losses in the event that encumbrances such as these are eventually found. Klein is relied upon for more than

Art Unit: 3625

a definition of the term "title insurance". Klein is relied upon for its teaching of the good-sense reliance on title insurance in prior art real estate transactions.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

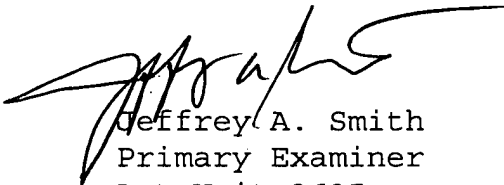
Niitsuma (JP 08315014 A) discloses a real estate agency operational support system. A search item establishment program determines the conditions for acquiring the real estate.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey A. Smith whose telephone number is (571) 272-6763. The examiner can normally be reached on M-F 6:30am-6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on (571) 272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3625

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jeffrey A. Smith
Primary Examiner
Art Unit 3625

jas